

STATEMENT OF EMERGENCY

907 KAR 1:061E

(1) The Department for Medicaid Services is promulgating this emergency administrative regulation to increase base rates and mileage allowance rates for ambulance transportation services. This action must be taken on an emergency basis in accordance with KRS 13A.190(1)(a)3 to comply with House Bill 267 of the 2005 Session of the General Assembly.

(2) This emergency administrative regulation shall be replaced by an identical ordinary administrative regulation concurrently filed with the Regulations Compiler.

Ernie Fletcher
Governor

James W. Holsinger, Jr., M.D., Secretary
Cabinet for Health and Family Services

CABINET FOR HEALTH AND FAMILY SERVICES

Department for Medicaid Services

Division of Hospital and Provider Operations

(Emergency Amendment)

907 KAR 1:061E. Payments for ambulance [medical] transportation.

RELATES TO: KRS 205.520, 205.8451, 42 USC 1396, 440.170, 447.200 -
447.205, HB 267 of the 2005 Session of the General Assembly

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)[, ~~EO~~
~~2004-726~~]

NECESSITY, FUNCTION, AND CONFORMITY: [~~EO 2004-726, effective July 9,~~
~~2004, reorganized the Cabinet for Health Services and placed the Department for~~
~~Medicaid Services and the Medicaid Program under the Cabinet for Health and Family~~
~~Services.] The Cabinet for Health and Family Services, Department for Medicaid~~
Services has responsibility to administer the Medicaid Program. KRS 205.520(3)
authorizes the cabinet, by administrative regulation, to comply with any requirement that
may be imposed, or opportunity presented, by federal law for the provision of medical
assistance to Kentucky's indigent citizenry. This administrative regulation establishes the
method for determining amounts payable by the Department for Medicaid Services for
ambulance [medical] transportation services.

Section 1. Definitions.

(1) "Advanced life support (ALS) emergency ambulance transportation" means an

ambulance service meeting the standards for advanced life support services established in accordance with 202 KAR 7:580 and 7:584.

(2) "Advanced Life Support (ALS) Medical First Response Provider" means an emergency medical professional licensed in accordance with 202 KAR 7:595 to provide ALS care.

(3) "Air ambulance provider" means an air ambulance service licensed in accordance with 202 KAR 7:510 and 7:590.

(4) "Appropriate medical facility or provider" means a local medical provider other than an emergency room of a hospital who can provide necessary emergency care if a hospital emergency room is not located within a recipient's county of residence or a contiguous county.

(5) "Basic life support (BLS) emergency ambulance transportation" means an ambulance service which meets the standards for basic life support services established in 202 KAR 7:580 and 7:582.

(6) "Department" means the Department for Medicaid Services or its designated agent.

(7) "Membership or subscription fee" means a payment collected from a recipient by a provider which entitles the recipient to free or discounted ambulance transportation services.

(8) "Recipient" is defined in KRS 205.8451(9).

(9) "Upper limit" means the maximum reimbursement rate the department shall pay an ambulance transportation provider for the service provided.

Section 2. Reimbursement for Licensed Ambulance Services.

1 (1) The department shall reimburse an ambulance service at the lesser of:

2 (a) The provider's usual and customary charge for the service; or

3 (b) An upper limit established by the department for the service.

4 (2) Except for an air ambulance transportation service, the upper limit for an
5 ambulance service shall be calculated by adding a base rate, mileage allowance, and
6 flat rate fees as follows:

7 (a) For ALS emergency ambulance transportation to the emergency room of a
8 hospital:

9 1. A base rate of 100 dollars;

10 2. A mileage allowance of four (4) dollars per mile; and

11 3. If transported concurrently, a flat rate of twenty-five (25) dollars for an
12 additional recipient;

13 (b) For BLS emergency ambulance transportation to the emergency room of a
14 hospital:

15 1. A base rate of seventy-five (75) dollars;

16 2. A mileage allowance of three (3) dollars per mile; and

17 3. If transported concurrently, a flat rate of twenty (20) dollars for an additional
18 recipient;

19 (c) For ALS or BLS emergency ambulance transportation to an appropriate
20 medical facility or provider other than the emergency room of a hospital:

21 1. A base rate of fifty-five (55) dollars;

22 2. A mileage allowance of two (2) dollars and fifty (50) cents per mile; and

23 3. If transported concurrently, a flat rate of fifteen (15) dollars for an additional

1 recipient;

2 (d) For BLS emergency ambulance transportation to the emergency room of a
3 hospital during which the services of an ALS Medical First Response provider is
4 required to stabilize the recipient:

5 1. A base rate of 100 dollars;

6 2. A mileage allowance of four (4) dollars per mile; and

7 3. If transported concurrently, a flat rate of twenty-five (25) dollars for an
8 additional recipient;

9 (e) For BLS emergency ambulance transportation to a medical facility or provider
10 other than the emergency room of a hospital during which the services of an ALS
11 Medical First Response provider are required:

12 1. A base rate of fifty-five (55) dollars;

13 2. A mileage allowance of two (2) dollars and fifty (50) cents per mile; and

14 3. If transported concurrently, a flat rate of fifteen (15) dollars for an additional
15 recipient; and

16 (f) For non-emergency ambulance transportation during which the recipient
17 requires no medical care during transport:

18 1. A base rate of fifty (50) dollars; and

19 2. A mileage allowance of two (2) dollars per mile.

20 (3) In addition to rates specified in subsection (2), administration of oxygen
21 during an ambulance transportation service shall be reimbursed at a flat rate of ten (10)
22 dollars per one (1) way trip when medically necessary.

23 (4) Reimbursement for air ambulance transportation shall be an all inclusive rate

1 which shall be the lesser of:

2 (a) The provider's usual and customary charge; or

3 (b) An upper limit of \$3,500 per one (1) way trip.

4 (5) Payment for a service identified in subsections (2) through (4) of this Section
5 shall be contingent upon a statement of medical necessity which:

6 (a) Shall be maintained in accordance with Section 5(2) of 907 KAR 1:060; and

7 (b) May be requested by the department for post-payment review.

8 (6) If a recipient has paid a membership or subscription fee to a transportation
9 provider in order to access free or discounted ambulance transportation service, the
10 provider shall not be eligible for Medicaid reimbursement for service provided to the
11 recipient.

12 Section 3. Appeal Rights.

13 (1) An appeal of a negative action regarding a Medicaid recipient shall be in
14 accordance with 907 KAR 1:563.

15 (2) An appeal of a negative action regarding Medicaid eligibility of an individual
16 shall be in accordance with 907 KAR 1:560; or

17 (3) An appeal of a negative action regarding a Medicaid provider shall be in
18 accordance with 907 KAR 1:671.

19 ~~["Advanced life support (ALS) ambulance services" means ambulance services~~
20 ~~meeting the standards for advanced life support services established in accordance with~~
21 ~~902 KAR 14:070, 907 KAR 14:080, 907 KAR 14:082, and 907 KAR 14:084.~~

22 ~~(2) "Advanced Life Support (ALS) Medical First Response Providers" means the~~
23 ~~utilization of certified and licensed emergency medical professionals in accordance with~~

1 ~~902 KAR 14:100 to provide advanced prehospital medical care.~~

2 ~~(3) "Affiliate ambulance service" means a Class I ground ambulance provider~~
3 ~~who has entered into a formal written agreement with an ALS medical first response~~
4 ~~provider to jointly respond to prehospital medical emergencies for coordinated medical~~
5 ~~care and transportation "Air ambulance provider" means an air ambulance service~~
6 ~~meeting the standards for provision of air ambulance services, if provided by a Medicaid~~
7 ~~provider licensed for the provision of air ambulance services in accordance with 902 KAR~~
8 ~~14:090.~~

9 ~~(4) "Air ambulance provider" means an air ambulance service meeting the~~
10 ~~standards for provision of air ambulance services, if provided by a Medicaid provider~~
11 ~~licensed for the provision of air ambulance services in accordance with 902 KAR 14:090.~~

12 ~~(5) "Ambulatory recipient who is disoriented" means an individual who is confused,~~
13 ~~especially with respect to time, place, and identity of persons or objects. The extent of~~
14 ~~disorientation shall be sufficient to preclude the recipient from safely utilizing,~~
15 ~~unaccompanied, alternate methods of transportation.~~

16 ~~(6) "Appropriate medical facility or provider" means a local medical provider other~~
17 ~~than an emergency room of a hospital who can provide necessary emergency care when~~
18 ~~a hospital emergency room is not located within the medical service area.~~

19 ~~(7) "Attendant" means an individual who accompanies the recipient, if necessary,~~
20 ~~to, from, and while receiving medical services. A parent who accompanies a minor child~~
21 ~~shall be considered to be an attendant.~~

22 ~~(8) "Basic life support (BLS) emergency ambulance transportation services" means~~
23 ~~ambulance services meeting the standards for basic life support services established in~~

~~902 KAR 14:080 if provided by a Medicaid provider appropriately licensed for the provision of BLS services in accordance with 902 KAR 14:080, 907 KAR 14:082 and 907 KAR 14:084.~~

~~(9) "Commercial transportation carrier" means a commercial carrier which:~~

~~(a) Is licensed in accordance with KRS 281A.010(8), other states, or of the United States to transport members of the general public; and~~

~~(b) Has the authority provided by the Transportation Cabinet to operate in the county in which the transportation services is initiated.~~

~~(10) "Department" means the Department for Medicaid Services.~~

~~(11) "Loaded miles" means the miles in which the transportation carrier is transporting at least one (1) recipient to or from a Medicaid covered service.~~

~~(12) "Medical condition" means a condition of the recipient which does not allow him to travel alone or without physical assistance.~~

~~(13) "Membership or subscription fee" means a charge from the provider to the recipient which entitles the recipient to free or discounted ambulance transportation services.~~

~~(14) "Noncommercial group carrier" means a vendor licensed in accordance with KRS 281.619, who provides bus or bus type medical transportation to an identifiable segment of the eligible recipient group, but not including a vendor whose transportation costs are allowable costs under their reimbursement system (except community mental health centers). The segment may be identifiable by geographical boundary, type of medical service required, common medical destination (i.e., clinic, primary care center, etc.), or other similar grouping method. Included within this definition are:~~

1 ~~(a) Community action agencies (or successor agencies) providing bus or bus-type~~
2 ~~service for a poverty or near-poverty area target population; and~~

3 ~~(b) Other similar providers as identified by the department.~~

4 ~~(15) "Nonemergency health transportation services (NEHT)" means transportation~~
5 ~~services provided by a Medicaid provider meeting the standards for nonemergency health~~
6 ~~transportation services; and licensed in accordance with 902 KAR 14:060 and 902 KAR~~
7 ~~14:070.~~

8 ~~(16) "Private automobile carrier" means a person owning or having access to a~~
9 ~~private vehicle not used for commercial transportation purposes and who uses that~~
10 ~~vehicle for the occasional medical transportation of eligible recipients.~~

11 ~~(17) "Recipient" means an individual who is eligible for Medicaid benefits and~~
12 ~~meets the criteria for transportation services as defined in 907 KAR 1:060.~~

13 ~~(18) "Specialty carrier" means a vendor who:~~

14 ~~(a) Provides, through specially equipped vehicles, medical transportation for~~
15 ~~nonambulatory recipients, or for ambulatory but disoriented recipients;~~

16 ~~(b) Provides services not available from other transportation vendors; and~~

17 ~~(c) Has a disabled persons certificate in accordance with KRS 281.014(5) with~~
18 ~~approval by the department for reimbursement at specialty carrier rates and is licensed~~
19 ~~appropriately in accordance with KRS Chapter 281.~~

20 ~~(19) "Upper limit" means the maximum reimbursement rate that the department~~
21 ~~shall pay the transportation provider for the services provided.~~

22 ~~Section 2. Licensed Ambulance Services Reimbursement.~~

23 ~~(1) The department shall reimburse licensed participating ambulance services at~~

1 ~~the lesser of their usual and customary charges or the maximum rate established by the~~
2 ~~department.~~

3 ~~(2) The maximum rate shall be the amount arrived at by combining the base rate,~~
4 ~~mileage allowance, oxygen rate, and cost of other supplies, as applicable:~~

5 ~~(a) The base rate for ALS emergency transportation to the emergency room of a~~
6 ~~hospital shall be set at eighty five (85) dollars per one (1) way trip; the mileage~~
7 ~~allowance for trips shall be three (3) dollars and fifty (50) cents per mile for mileage from~~
8 ~~mile one (1); a flat rate of twenty five (25) dollars shall be set for an additional recipient~~
9 ~~with no additional allowance for mileage.~~

10 ~~(b) The rate for air ambulance transportation shall be an all-inclusive rate.~~
11 ~~Reimbursement shall be the provider's usual and customary charge not to exceed the~~
12 ~~upper limit of \$3,500. A claim for air ambulance transportation services shall be~~
13 ~~submitted to the department and shall be reviewed for determination that air transport~~
14 ~~was medically necessary and appropriate.~~

15 ~~(c) The base rate for BLS emergency transportation to the emergency room of a~~
16 ~~hospital shall be set at sixty five (65) dollars per one (1) way trip; the mileage allowance~~
17 ~~for trips shall be two (2) dollars and fifty (50) cents per mile for mileage from mile one~~
18 ~~(1); a flat rate of twenty (20) dollars shall be set for an additional recipient with no~~
19 ~~additional allowance for mileage.~~

20 ~~(d) The base rate for an ALS or BLS providing emergency ambulance~~
21 ~~transportation to an appropriate medical facility or provider which is not the emergency~~
22 ~~room of a hospital shall be set at fifty five (55) dollars per one (1) way trip; the mileage~~
23 ~~allowance for trips shall be two (2) dollars per mile from mile one (1); a flat rate of fifteen~~

~~(15) dollars shall be set for an additional recipient with no additional rate for mileage. Payment shall be contingent upon review of required documentation. Claims shall be reviewed by the department. Required documentation shall be a statement of a medical emergency by the attending medical provider.~~

~~(e) The base rate for NEHT services if transporting a recipient who is on a stretcher to a medical provider, other than a pharmacy, shall be set at forty (40) dollars per one (1) way trip; the mileage allowance for trips shall be one (1) dollar and fifty (50) cents per mile. The reimbursement for NEHT services if transporting a recipient who is in a wheelchair shall be in accordance with Section 6 of this administrative regulation.~~

~~(f) The base rate for nonemergency transportation for a licensed ambulance service if no medical care or treatment of a recipient is required or indicated during transport shall be the rate specified in paragraph (e) of this subsection.~~

~~(g) An oxygen rate, which is set at ten (10) dollars per one (1) way trip; for a licensed ambulance service, excluding air ambulances.~~

~~(h) The cost of other itemized supplies for ALS or BLS emergency transportation services shall be the actual cost as reflected on the transportation provider's invoice which shall be maintained in the provider's files and shall be produced upon request by the department.~~

~~(i) The base rate for BLS emergency transportation with an ALS medical first response provider to stabilize the patient before the BLS run is completed to the emergency room of a hospital, shall be:~~

~~1. Eighty five (85) dollars per one (1) way trip;~~

~~2. Two (2) dollars and fifty (50) cents per mile for mileage from mile one (1); and~~

1 ~~3. Flat rate of twenty five (25) dollars for an additional recipient with no additional~~
2 ~~allowance for mileage.~~

3 ~~(j) The base rate for BLS providing emergency transportation with ALS medical~~
4 ~~response provider assistance to medical facility or provider which is not the emergency~~
5 ~~room of a hospital shall be:~~

6 ~~1. Fifty five (55) dollars per one (1) way trip;~~

7 ~~2. Two (2) dollars per mile from mile one (1); and~~

8 ~~3. Flat rate of fifteen (15) dollars for an additional recipient with no additional rate~~
9 ~~for mileage.~~

10 ~~(k) Payment for services identified in paragraphs (l) or (j) of this subsection shall~~
11 ~~be contingent upon review of required documentation by the department. Required~~
12 ~~documentation shall be a statement of medical emergency by the attending medical~~
13 ~~provider and ALS medical first response provider.~~

14 ~~(3) The department shall not reimburse a licensed participating ambulance~~
15 ~~service provider who charges a membership or subscription fee that entitles the~~
16 ~~recipient to free or discounted ambulance transportation if a recipient has paid that~~
17 ~~membership or subscription fee.~~

18 ~~Section 3. Commercial Transportation Carrier Reimbursement. The department~~
19 ~~shall reimburse a participating commercial transportation carrier at usual commercial~~
20 ~~rates with limitations as follows:~~

21 ~~(1) For taxi services provided in regulated areas in accordance with KRS~~
22 ~~281.635(4), the provider shall be reimbursed the normal passenger rate charged to the~~
23 ~~general public for a one (1) way trip regardless of the number of Medicaid eligible~~

~~recipients transported when the trip is within the medical service area as defined in 907 KAR 1:060; and~~

~~(2) For a taxi service in an area of the state where taxi rates are not regulated by the appropriate local rate setting authority, and for taxi services in regulated areas when they go outside the medical service area as defined in 907 KAR 1:060, the provider shall be reimbursed the normal passenger rate charged the general public for a single passenger, up to the upper limit. The upper limit for a taxi transporting a recipient shall be:~~

~~(a) The usual and customary charge up to a maximum of six (6) dollars for trips of five (5) miles or less, one (1) way, loaded miles;~~

~~(b) The usual and customary charge up to a maximum of twelve (12) dollars for trips of six (6) to ten (10) miles, one (1) way, loaded miles;~~

~~(c) The usual and customary charge up to a maximum of twenty (20) dollars for trips of eleven (11) to twenty five (25) miles, one (1) way, loaded miles;~~

~~(d) The usual and customary charge up to a maximum of thirty (30) dollars for trips of twenty six (26) miles to fifty (50) miles, one (1) way, loaded miles; or~~

~~(e) For trips of fifty one (51) miles or above, the lesser of the usual and customary charge or an amount derived by multiplying one (1) dollar by the actual number of miles, not to exceed a maximum of seventy five (75) dollars per trip, one (1) way, loaded miles; and~~

~~(f) Inclusive of the cost for transporting a parent or attendant~~

~~Section 4. Private Automobile Carrier Reimbursement.~~

~~(1) The department shall reimburse private automobile carriers the minimum rate~~

per mile paid to state employees in accordance with 200 KAR 2:006.

(2) A private automobile carrier shall have a signed participation agreement with the department prior to furnishing a reimbursable medical transportation service and provide proof of a current driver's license and minimum state required insurance coverage.

(3) Toll charges shall be reimbursable if presented with a receipt.

(4) If a private automobile carrier is transporting more than one (1) recipient, only one (1) mileage payment shall be allowed. Mileage shall be computed on the basis of the distance between the most remote recipient and the most remote medical service utilized.

~~Section 5. Noncommercial Group Carriers.~~ The department shall reimburse a participating noncommercial group carrier for actual reasonable, allowable costs to the provider based on cost data submitted to the department by the provider; however, the minimum rate shall be twenty (20) cents per recipient per mile transported and the rate upper limit shall be fifty (50) cents per recipient per mile transported. Payment for a parent or other attendant shall be at the recipient rate.

~~Section 6. Specialty Carriers.~~

(1) Participating specialty carriers shall be reimbursed at the lesser of the following rates:

(a) The actual charge for the service; or

(b) The usual and customary charge for that service by the carrier, as shown in the schedule of usual and customary charges submitted by the carrier to the department; or

~~(c) The program maximum established for the service.~~

~~(2) Program maximums shall be:~~

~~(a) For nonambulatory recipients who require the use of a wheelchair, the upper limit shall be twenty five (25) dollars for the first recipient plus four (4) dollars for each additional recipient transported on the same trip, for each time a recipient is transported to or transported from the medical service site. To this base rate shall be added one (1) dollar and fifty (50) cents per loaded mile for the first recipient for miles the recipient is transported, and toll charges actually incurred and verified; mileage charges shall not be allowed for additional recipients.~~

~~(b) For ambulatory recipients who are disoriented, the upper limit shall be twelve (12) dollars and fifty (50) cents for the first recipient plus four (4) dollars for each additional recipient transported on the same trip, for each time a recipient is transported to or transported from the medical service site. To this base rate shall be added one (1) dollar and fifty (50) cents per loaded mile for the first recipient for miles the recipient is transported, and toll charges actually incurred and verified; mileage charges shall not be allowed for additional recipients.~~

~~(c) For paragraphs (a) and (b) of this subsection, empty vehicle miles shall not be included when computing allowable reimbursement for mileage.~~

~~(3) Reimbursement shall be made at specialty carrier rates for the following types of recipients only:~~

~~(a) Nonambulatory recipients who need to be transported by wheelchair, but shall not include recipients who need to be transported as stretcher patients; and~~

~~(b) Ambulatory recipients who are disoriented and require an attendant as~~

1 ~~authorized by a physician.~~

2 ~~(4) The recipient or guardian shall obtain a statement from the recipient's~~
3 ~~physician (or, if the recipient is in a nursing facility, from the director of nursing, charge~~
4 ~~nurse, or medical director in lieu of a physician) to verify that transportation by the~~
5 ~~specialty carrier is medically necessary due to the recipient's nonambulatory or~~
6 ~~disoriented condition. Claims for payment which are submitted without the required~~
7 ~~statement of verification shall not be paid.~~

8 ~~Section 7. Specially authorized transportation services authorized in unforeseen~~
9 ~~circumstances may be paid for at a rate adequate to secure the necessary service. The~~
10 ~~amount allowed shall not exceed the usual and customary charge of the provider. The~~
11 ~~department shall review and approve or disapprove requests for specially authorized~~
12 ~~transportation services based on medical necessity.~~

13 ~~Section 8. Use of Flat Rates. Transportation payment shall not exceed the~~
14 ~~lesser of:~~

15 ~~(1) Six (6) dollars per trip, one (1) way (or twelve (12) dollars for a round trip); or~~
16 ~~(2) The usual fee for the participating transportation provider computed in the~~
17 ~~usual manner, if:~~

18 ~~(a) The recipient chooses to use a medical provider outside the medical service~~
19 ~~area as (defined in 907 KAR 1:060);~~

20 ~~(b) The medical service is available in the recipient's medical service area; and~~

21 ~~(c) The recipient has not been appropriately referred by the medical provider~~
22 ~~within his medical service area.~~

23 ~~Section 9. Posting of Rates. A transportation provider, except a private auto~~

1 provider, shall be allowed to post his rates with the Department for Community-Based
2 Services offices in the counties they serve. These rates shall apply for all Medicaid
3 recipients and shall be effective for a twelve (12) month period and may be revised once
4 per quarter. The rate charged to the Medicaid Program shall not exceed the rate
5 charged to the general public.

6 Section 10. Meals and Lodging. The flat rate for meals and lodgings for a
7 recipient or attendant if preauthorized (or postauthorized, if appropriate) by the
8 department shall be reimbursed at the actual charge up to the upper limits as paid to
9 state employees in accordance with 200 KAR 2:006.

10 Section 11. Limitations.

11 (1) Reimbursement shall be made to a provider for loaded miles only.

12 (2) Reimbursement for medical transportation shall be contingent upon the
13 recipient receiving the appropriate pre or postauthorization, for medical transportation
14 as required by the department.

15 (3) Authorization shall not be granted for a recipient transported for purposes
16 other than to take the recipient to or from a covered Medicaid service being provided to
17 that recipient, except in the instance of one (1) parent accompanying a child to or from a
18 covered medical service being provided to the child or if one (1) attendant is authorized
19 for a recipient traveling to or from a covered medical service based on the medical
20 condition of the recipient.

21 (4) Reimbursement shall be limited to a transportation service and shall not
22 include the service, salary or time of the attendant or parent.

23 (5) Mileage for reimbursement purposes shall be computed by the most direct

1 ~~accessible route from point of pick up to point of delivery.~~

2 ~~(6) Provisions of this administrative regulation do not apply to recipients in~~
3 ~~counties served by a human service transportation delivery system in accordance with~~
4 ~~603 KAR 7:080 and 907 KAR 3:065.~~

5 ~~Section 12. Appeal Rights. A recipient shall have the right of appeal as~~
6 ~~established in 907 KAR 1:563.]~~

907 KAR 1:061E

REVIEWED:

Date

Shannon Turner, J.D., Commissioner
Department for Medicaid Services

Date

Mike Burnside
Undersecretary for Administration and Fiscal Affairs

APPROVED:

Date

James. W. Holsinger, Jr., M.D., Secretary
Cabinet for Health and Family Services

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation #: 907 KAR 1:061E
Cabinet for Health and Family Services
Department for Medicaid Services
Agency Contact Person: Stuart Owen (502-564-6204)

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation establishes reimbursement criteria for the provision of ambulance services to the Medicaid eligible population.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to comply with federal and state laws requiring provision of medical services to Kentucky's indigent citizenry.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation allows for the provision of medically necessary health services identified in KRS 205.560 and 205.6314.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides the criteria for the provision of emergency and non-emergency transportation by ambulance of a Medicaid recipient to a necessary medical service.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: This amendment increases the base rate allowance and mileage allowance rates for ambulance transportation and deletes obsolete information pertaining to non-emergency medical transportation which is now addressed in 907 KAR 3:066.
 - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to comply with HB 267 of the 2005 Session of the General Assembly.
 - (c) How the amendment conforms to the content of the authorizing statutes: This amendment increases ambulance transportation reimbursement as mandated in HB 267 of the 2005 Session of the General Assembly.
 - (d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the effective administration of the authorizing statutes by increase ambulance transportation reimbursement as mandated by HB 267 of the 2005 Session of the General Assembly.
- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: This administrative regulation will affect all ambulance carriers enrolled with the Medicaid program.

- (4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment: This amendment allows for an increase in set rates for ambulance service to offset increases in the cost of service provision.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: The Department for Medicaid services (DMS) estimates that the amendment will increase expenditures by approximately \$1.95 million (\$1.35 million federal funds; 0.6 million state funds) for state fiscal year (SFY) 2006.
 - (b) On a continuing basis: The increase in fees is not established in legislation beyond SFY 2006; therefore, DMS is unable to estimate the future fiscal impact at this time.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under the Social Security Act, Title XIX and matching funds of general funds appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: The next fiscal year budget may need to be adjusted to provide funds for implementing the amendment to this administrative regulation if the increase is rendered permanent by future legislation.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish or increase fees.
- (9) Tiering: Is tiering applied? (Explain why tiering was or was not used)

Tiering was not appropriate in this administrative regulation because the administrative regulation applies equally to all those individuals or entities regulated by it. Disparate treatment of any person or entity subject to this administrative regulation could raise questions of arbitrary action on the part of the agency. The "equal protection" and "due process" clauses of the Fourteenth Amendment of the U.S. Constitution may be implicated as well as Sections 2 and 3 of the Kentucky Constitution.

FISCAL NOTE ON LOCAL GOVERNMENT

Reg No: 907 KAR 1:061E

Agency: Cabinet for Health and Family Services
Department for Medicaid Services

Contact: Stuart Owen (502-564-6204)

1. Does this administrative regulation relate to any aspect of a local government, including any service provided by that local government?

Yes _X_ No
2. State whether this administrative regulation will affect the local government or only a part or division of the local government. This administrative regulation will affect only a part of some local governments.
3. State the aspect or service of local government to which this administrative regulation relates: Local government owned or operated ambulance transportation services.
4. Estimate the effect of this administrative regulation on the expenditures and revenues of a local government for the first full year the regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.
Revenues (+/-):
Expenditures (+/-):
Other Explanation: